

EXHIBIT K

CLEARY GOTTlieb STEEN & HAMILTON LLP

ONE LIBERTY PLAZA
NEW YORK, NY 10006-1470
(212) 225-2000
FACSIMILE (212) 225-3999
WWW.CLEARYGOTTlieb.COM

WASHINGTON, DC • PARIS • BRUSSELS
LONDON • MOSCOW • FRANKFURT • COLOGNE
ROME • MILAN • HONG KONG • BEIJING

Writer's Direct Dial: (212) 225-2894
E-Mail: bmorag@cgsh.com

MARK A. WALKER
LESLIE S. SAVVULF
EDWARD P. GREENE
ALLAN G. SPERLING
MAX GITTER
NIVAN A. DAVIS
LAURENCE ALPERT
VICTOR I. LEVKOV
LESLIE H. SILVERMAN
ROBERT L. TORTORELLA
A. RICHARD BIRCH
LEE C. BUCHANAN
JAMES M. FRASER
ALAN L. BELLER
THOMAS J. MCELROY
JONATHAN I. BLACKMAN
WILLIAM F. ROSEN
MICHAEL L. BYAN
ROBERT P. DAVIS
YARON S. WEISS
RICHARD S. LINDER
JAMES A. ELKOURT
STEVEN G. WEISBERG
ANDREA G. FOGOLSKY
JAMES A. DUNCAN
STEVEN M. LOEB
DANIEL E. STERNBERG
DONALD A. STERN
GRACE S. BROS
WANDA J. OLSON
MICHAEL A. LYONS
DEBORAH M. BUELL
EDWARD J. ROSEN
LAWRENCE M. FIDOMEN
NICOLAS DRABAT
CHRISTOPHER E. AUSTIN
SETH GROSSHANDLER

WILLIAM A. BRILL
JAMIE L. FISHER
DAVID L. RUBINMAN
HOWARD S. ZELBO
DAVID E. BRODENT
ARTHUR M. KOHN
RAYMOND S. CHECK
RICHARD J. COOPER
JEFFREY S. LEWIS
PAUL J. SHIM
YVETTE P. TROPAN
STEVEN L. WEINER
ERIK M. NICHOLLS
LINDSEY P. GRANFELD
ANDREW DE LA CRUZ
DAVID E. LONET
DANIEL S. GORRALES
JAMES L. BROMLEY
PAUL E. GLOTZER
MICHAEL A. QUARTENBERG
LEWIS J. LMAN
NEEL G. WHOLESKY
JOSEPH U. JANTONINA
MICHAEL D. WEINBERGER
DAVID LEONARD
JEFFREY A. ROSENTHAL
STAN A. KENNERBERG
MICHAEL S. DAYAN
CARMINE D. BOCCUZZI, JR.
JEFFREY D. KAPRY
FRANKLYN BROWN PLADKOW
ROBERT J. RAYMOND
DAVID I. GOTTlieb
LEONARD G. JACOBY
BARBARA L. KNOX
DANA S. FLEISCHMAN
FRANCESCA L. ODILL

WILLIAM L. MORAE
JASON FACTOR
MANDARIN W. FEMONE
LISA M. SCHWEITZER
KRISTOPHER W. NESS
JULIA M. BOWLAND
DIANE MCLAUGHLIN
BRYAN S. FEASE
CHANTAL E. KORDANA
BRYAN J. DRELLY
DAVID AHAH
ADAM S. FLEISHER
SEAN A. DORAL
CLYNN P. WOODWORTH
CHRISTOPHER P. MOORE
JASON M. KIM
ASSOCIATE PARTNER
BANDRA M. ROYCE
ELLEN M. GREENE
S. DOUGLAS ECKHART
JUSTIN KANDEL
DAVID S. WEE
PELLEGRINO L. CHRISTOPHEROU
HARVEY S. WEISS
MARK E. ALCOCK
GABRIEL J. WESA
DAVID M. HESTERINGTON
KIMBERLY H. LARSON, JR.
NATHANIEL M. EISENBERG
NANCY I. RUBIN
WALLACE L. LARSON, JR.
JAMES D. SHALL
AVRAM E. LIFT
ELIZABETH LINDAS
ASSOCIATE COUNSEL

September 25, 2009

VIA FACSIMILE & FEDEX

Lawrence Odell, Esq.
Executive Vice President and General Counsel
FirstBank Puerto Rico
1519 Ponce de León Ave., Stop 23
PO Box 9146
San Juan, PR 00908-0146

Re: FirstBank Puerto Rico Letter of September 17, 2009

Dear Mr. Odell:

Your letter dated September 17, 2009 addressed to the General Counsel's Office of Barclays Capital Inc. ("Barclays") has been referred to me for a response. I note that Barclays received the letter via FedEx on September 21, 2009, one day after your deadline of September 20, 2009 for a response.

You have alleged that FirstBank Puerto Rico ("FirstBank") entered into a Master Swap Agreement with Lehman Brothers Special Financing, Inc. ("LBSF") and delivered, as collateral for FirstBank's obligations under the Master Swap Agreement, certain securities to an account of Lehman Brothers Inc. ("LBI") at JPMorgan Chase Bank. Although you apparently intended to list those securities "on the attachment to [your] letter," there was no attachment, and we accordingly do not know which securities are at issue.

Nonetheless, even assuming, arguendo, that any securities that FirstBank contends were part of the collateral it posted shared the same cusip as securities transferred to Barclays under the repurchase transaction (the "Repo") with LBI in September 2008 (and that such collateral was even traceable to the Repo), Barclays' position is as follows:

Lawrence Odell, Esq., p. 2

First, because a copy of the Master Swap Agreement was not attached to your letter, we have no way to review the substance of FirstBank's underlying claim against LBSF.

Second, the Asset Purchase Agreement dated as of September 16, 2008 contains a general representation by Lehman Brothers Holdings Inc. ("LBHI") and LBI that, "[e]xcept for such authorization as is required by the Bankruptcy Court," they had "all requisite power, authority and legal capacity to execute and deliver this Agreement[,] ... to perform their respective obligations hereunder ... and to consummate the transactions contemplated hereby." Id. § 5.2. Barclays relied upon this representation in contracting with LBHI and LBI and in entering into the Repo; it entered into no contract with LBSF.

Third, under the court order approving the sale (the "Sale Order"), Barclays was a good faith purchaser that purchased securities from LBI free and clear of all claims. Sale Order at 5-8 & ¶ 4. The Sale Order also enjoined any party claiming an interest in the assets that Barclays purchased from LBI from asserting, prosecuting or otherwise pursuing claims against Barclays. Id. ¶ 7.

Fourth, irrespective of the Sale Order, applicable New York law would bar any claim against Barclays. See New York Uniform Commercial Code ("U.C.C.") § 8-510(a) ("[A]n action based on an adverse claim to a financial asset or security entitlement, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who purchases a security entitlement, or an interest therein, from an entitlement holder if the purchaser gives value, does not have notice of the adverse claim, and obtains control.") (emphasis added). It is uncontested that Barclays purchased all securities from LBI for value and obtained control over them; furthermore, Barclays had no notice of an adverse claim as required under Section 8-105(a) of the U.C.C.

Sincerely,


Boaz S. Morag

cc: Jonathan Hughes, Esq., Barclays Capital Inc.
Jason White, Esq., Barclays Capital Inc.